

1 H.475

2 Introduced by Representatives Davis of Washington, Burke of Brattleboro,
3 Christie of Hartford, Donahue of Northfield, Fields of
4 Bennington, Gonzalez of Winooski, Krowinski of Burlington,
5 McCormack of Burlington, and McCullough of Williston

6 Referred to Committee on

7 Date:

8 Subject: Health; taxation; Green Mountain Care; Green Mountain Care Board;
9 income tax; payroll tax

10 Statement of purpose of bill as introduced: This bill proposes to establish
11 income-based, nonwage income, and payroll taxes to support Green Mountain
12 Care. It would establish an income-sensitized credit for the out-of-pocket
13 health care costs of Medicare beneficiaries with income at or below 523
14 percent of the federal poverty level. It would dissolve all hospital service
15 corporations on January 1, 2017, and make the Green Mountain Care Board
16 their successor in interest. The bill proposes to make the Green Mountain Care
17 Board the administrator for Green Mountain Care and would broaden the
18 Board's authority accordingly. The bill would also repeal the employer
19 assessment, health care claims tax, and capital gains tax exclusion, and it
20 would eliminate the authority of the Agency of Human Services to establish
21 premiums for Medicaid beneficiaries.

1 An act relating to establishing the financing mechanisms for Green
2 Mountain Care

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 * * * Principles for Health Care Financing * * *

5 Sec. 1. PRINCIPLES FOR HEALTH CARE FINANCING

6 The General Assembly adopts the following principles to guide the
7 financing of health care in Vermont:

8 (1) All Vermont residents have the right to high-quality health care.

9 (2) All Vermont residents shall be eligible for Green Mountain Care,
10 which shall be provided as a public good, as stated in 33 V.S.A. § 1821.

11 Vermont residents enrolled in TRICARE or Medicare shall continue to receive
12 health care through those programs. Green Mountain Care shall be the payer
13 of last resort for Vermont residents who continue to receive health care
14 through plans provided by an employer, by Medicare, by another state, by a
15 foreign government, or as a retirement benefit.

16 (3) Green Mountain Care shall be publicly financed through income and
17 payroll taxes that are levied equitably, taking into account the principle of
18 ability to pay.

19 (4) All Vermont residents shall pay a universal health care tax to support
20 Green Mountain Care as provided in 32 V.S.A. chapter 153A, except:

1 (A) Residents enrolled in TRICARE shall continue to receive health
2 care coverage through TRICARE and shall not pay income taxes for Green
3 Mountain Care.

4 (B) Until receipt of a federal waiver, residents enrolled in Medicare
5 shall not pay income taxes for Green Mountain Care. Prior to the federal
6 waiver, Medicare beneficiaries shall receive cost-sharing credits from Green
7 Mountain Care and shall contribute as provided in Sec. 3 of this act.

8 (C) Residents with income below 138 percent of the federal poverty
9 level, who shall receive Medicaid benefits as part of Green Mountain Care
10 without paying income taxes.

11 (5) All types of businesses operating in Vermont shall pay payroll taxes
12 to support Green Mountain Care, as provided in 32 V.S.A. chapter 153A.

13 (6) Vermont's system for financing health care shall raise revenue
14 sufficient to provide medically necessary health care services to all enrolled
15 Vermont residents that are actuarially equivalent to at least 94 percent of the
16 full actuarial value of the covered health services.

17 * * * Taxes to Support Green Mountain Care * * *

18 Sec. 2. 32 V.S.A. chapter 153A is added to read:

19 CHAPTER 153A. TAXES TO SUPPORT GREEN MOUNTAIN CARE

20 § 5982. DEFINITIONS

21 As used in this chapter:

1 (1) “Employer” means every person who is required under the laws of
2 the United States to withhold federal income tax from payments that are also
3 subject to Vermont income tax. “Employer” does not mean the U.S.
4 government.

5 (2) “Full-time equivalent employee” means:

6 (A) any employee that works at least 30 hours per week in any month
7 for more than 120 days in a year; and

8 (B) any part-time or seasonal employee’s total number of hours
9 worked in a week divided by 30, provided that he or she works more than
10 120 days per year.

11 (3) “Nonwage income” means, for any taxable year, the total amount of
12 income derived from shares and stocks, dividends, capital gains, interest, and
13 each financial transaction with respect to stocks, bonds, derivatives, and other
14 securities.

15 (4) “Size rating” means the rating applied to an employer based on the
16 total number of full-time equivalent employees, determined as follows:

17 (A) If total full-time equivalent employees are four or less, then the
18 rating is -650.

19 (B) If total full-time equivalent employees are less than 10 but five or
20 more, then the rating is -300.

1 (C) If total full-time equivalent employees are less than 20 but 10 or
2 more, then the rating is 300.

3 (D) If total full-time equivalent employees are less than 50, but 20 or
4 more, then the rating is 800.

5 (E) If total full-time equivalent employees are less than 100 but 50 or
6 more, then the rating is 1,750.

7 (F) If total full-time equivalent employees are less than 250 but 100
8 or more, then the rating is 3,000.

9 (G) If total full-time equivalent employees are less than 500 but 250
10 or more, then the rating is 6,250.

11 (H) If total full-time equivalent employees are less than 1,000 but
12 500 or more, then the rate is 7,500.

13 (I) If total full-time equivalent employees are 1,000 or more, then the
14 rating is 12,000.

15 (J) For total full-time equivalent employees that are employed by
16 State or local government, then the rating is 10,000.

17 (5) "Wage ratio" means the average wage of the top one percent of
18 employees divided by the average wage of the bottom 50 percent of
19 employees.

20 (6) "Wages" shall have the same meaning as in the Internal Revenue
21 Code, 26 U.S.C. § 3401(a).

1 § 5983. PAYROLL TAX

2 A tax is imposed on any employer required to withhold taxes under section
3 5841 of this title in an amount equal to the wage ratio multiplied by 650,
4 increased by the size rating, and then multiplied by the total number of
5 full-time equivalent employees; provided, however, that in no case shall the tax
6 imposed in this section exceed 20 percent of the total wages paid by an
7 employer.

8 § 5984. PAYMENT

9 Each employer shall prepare and submit to the Department a quarterly
10 return and payment on or before the 25th day of the calendar month succeeding
11 the quarter ending on the last day of March, June, September, and December.
12 The return requirements and procedures shall be established by the
13 Commissioner and shall show the amount of total employer wages paid for
14 employment during the preceding quarter, the total number of full-time
15 equivalent employees during the preceding quarter, the wage ratio, and other
16 information the Commissioner may require. The tax under this chapter shall
17 be paid each quarter to the Department at the same time the report is submitted.
18 The taxes shall be deposited in the Green Mountain Care Fund established
19 under 33 V.S.A. § 1829.

1 § 5985. ENFORCEMENT

2 The employer payroll tax imposed under section 5983 of this title shall be
3 enforced and collected as if it were an amount required to be withheld and
4 remitted to the State under subchapter 4 of chapter 151 of this title.

5 § 5986. UNIVERSAL HEALTH CARE TAX

6 (a) A tax is imposed on each Vermont resident taxpayer subject to the tax
7 under section 5822 of this title who is under 65 years of age. The universal
8 health care tax shall be in an amount determined as follows:

9 (1) One person household:

10 (A) If federal adjusted gross income is less than \$17,258.00, then the
11 tax rate is 0% of federal adjusted gross income.

12 (B) If federal adjusted gross income is less than \$22,917.00 but
13 \$17,258.00 or more, then the tax rate is 1% of federal adjusted gross income.

14 (C) If federal adjusted gross income is less than \$28,576.00 but
15 \$22,917.00 or more, then the tax rate is 2% of federal adjusted gross income.

16 (D) If federal adjusted gross income is less than \$34,235.00, but
17 \$28,576.00 or more, then the tax rate is 3% of federal adjusted gross income.

18 (E) If federal adjusted gross income is less than \$39,894.00, but
19 \$34,235.00 or more, then the tax rate is 4% of federal adjusted gross income.

20 (F) If federal adjusted gross income is less than \$45,553.00, but
21 \$39,894.00 or more, then the tax rate is 5% of federal adjusted gross income.

1 (G) If federal adjusted gross income is less than \$51,212.00, but
2 \$45,553.00 or more, then the tax rate is 6% of federal adjusted gross income.

3 (H) If federal adjusted gross income is less than \$56,871.00, but
4 \$51,212.00 or more, then the tax rate is 7% of federal adjusted gross income.

5 (I) If federal adjusted gross income is less than \$62,530.00, but
6 \$56,871.00 or more, then the tax rate is 8% of federal adjusted gross income.

7 (J) If federal adjusted gross income is less than \$65,359.00, but
8 \$62,530.00 or more, then the tax rate is 9% of federal adjusted gross income.

9 (K) If federal adjusted gross income is \$65,359.00 or more, then the
10 tax rate is 9.5% of federal adjusted gross income.

11 (2) Two-person household:

12 (A) If federal adjusted gross income is less than \$23,262.00, then the
13 tax rate is 0% of federal adjusted gross income.

14 (B) If federal adjusted gross income is less than \$30,890.00 but
15 \$23,262.00 or more, then the tax rate is 1% of federal adjusted gross income.

16 (C) If federal adjusted gross income is less than \$38,518.00 but
17 \$30,890.00 or more, then the tax rate is 2% of federal adjusted gross income.

18 (D) If federal adjusted gross income is less than \$46,146.00, but
19 \$38,518.00 or more, then the tax rate is 3% of federal adjusted gross income.

20 (E) If federal adjusted gross income is less than \$53,773.00, but
21 \$46,146.00 or more, then the tax rate is 4% of federal adjusted gross income.

1 (F) If federal adjusted gross income is less than \$61,401.00, but
2 \$53,773.00 or more, then the tax rate is 5% of federal adjusted gross income.

3 (G) If federal adjusted gross income is less than \$69,029.00, but
4 \$61,401.00 or more, then the tax rate is 6% of federal adjusted gross income.

5 (H) If federal adjusted gross income is less than \$76,657.00, but
6 \$69,029.00 or more, then the tax rate is 7% of federal adjusted gross income.

7 (I) If federal adjusted gross income is less than \$84,284.00, but
8 \$76,657.00 or more, then the tax rate is 8% of federal adjusted gross income.

9 (J) If federal adjusted gross income is less than \$88,098.00, but
10 \$84,284.00 or more, then the tax rate is 9% of federal adjusted gross income.

11 (K) If federal adjusted gross income is \$88,098.00 or more, then the
12 tax rate is 9.5% of federal adjusted gross income.

13 (3) Three-person household:

14 (A) If federal adjusted gross income is less than \$29,267.00 then the
15 tax rate is 0% of federal adjusted gross income.

16 (B) If federal adjusted gross income is less than \$38,863.00 but
17 \$29,267.00 or more, then the tax rate is 1% of federal adjusted gross income.

18 (C) If federal adjusted gross income is less than \$48,460.00 but
19 \$38,863.00 or more, then the tax rate is 2% of federal adjusted gross income.

20 (D) If federal adjusted gross income is less than \$58,056.00, but
21 \$48,460.00 or more, then the tax rate is 3% of federal adjusted gross income.

1 (E) If federal adjusted gross income is less than \$67,653.00, but
2 \$58,056.00 or more, then the tax rate is 4% of federal adjusted gross income.

3 (F) If federal adjusted gross income is less than \$77,249.00, but
4 \$67,653.00 or more, then the tax rate is 5% of federal adjusted gross income.

5 (G) If federal adjusted gross income is less than \$86,845.00, but
6 \$77,249.00 or more, then the tax rate is 6% of federal adjusted gross income.

7 (H) If federal adjusted gross income is less than \$96,442.00, but
8 \$86,845.00 or more, then the tax rate is 7% of federal adjusted gross income.

9 (I) If federal adjusted gross income is less than \$106,038.00, but
10 \$96,442.00 or more, then the tax rate is 8% of federal adjusted gross income.

11 (J) If federal adjusted gross income is less than \$110,837.00, but
12 \$106,038.00 or more, then the tax rate is 9% of federal adjusted gross income.

13 (K) If federal adjusted gross income is \$110,837.00 or more, then the
14 tax rate is 9.5% of federal adjusted gross income.

15 (4) Four-person household:

16 (A) If federal adjusted gross income is less than \$35,271.00, then the
17 tax rate is 0% of federal adjusted gross income.

18 (B) If federal adjusted gross income is less than \$46,836.00 but
19 \$35,271.00 or more, then the tax rate is 1% of federal adjusted gross income.

20 (C) If federal adjusted gross income is less than \$58,401.00 but
21 \$46,836.00 or more, then the tax rate is 2% of federal adjusted gross income.

1 (D) If federal adjusted gross income is less than \$69,966.00, but
2 \$58,401.00 or more, then the tax rate is 3% of federal adjusted gross income.

3 (E) If federal adjusted gross income is less than \$81,532.00, but
4 \$69,966.00 or more, then the tax rate is 4% of federal adjusted gross income.

5 (F) If federal adjusted gross income is less than \$93,097.00, but
6 \$81,532.00 or more, then the tax rate is 5% of federal adjusted gross income.

7 (G) If federal adjusted gross income is less than \$104,662.00, but
8 \$93,097.00 or more, then the tax rate is 6% of federal adjusted gross income.

9 (H) If federal adjusted gross income is less than \$116,227.00, but
10 \$104,662.00 or more, then the tax rate is 7% of federal adjusted gross income.

11 (I) If federal adjusted gross income is less than \$127,793.00, but
12 \$116,227.00 or more, then the tax rate is 8% of federal adjusted gross income.

13 (J) If federal adjusted gross income is less than \$133,575.00, but
14 \$127,793.00 or more, then the tax rate is 9% of federal adjusted gross income.

15 (K) If federal adjusted gross income is \$133,575.00 or more, then the
16 tax rate is 9.5% of federal adjusted gross income.

17 (5) Five-or-more-person household:

18 (A) If federal adjusted gross income is less than \$41,275.00, then the
19 tax rate is 0% of federal adjusted gross income.

20 (B) If federal adjusted gross income is less than \$54,809.00 but
21 \$41,275.00 or more, then the tax rate is 1% of federal adjusted gross income.

1 (C) If federal adjusted gross income is less than \$68,343.00 but
2 \$54,809.00 or more, then the tax rate is 2% of federal adjusted gross income.

3 (D) If federal adjusted gross income is less than \$81,877.00, but
4 \$68,343.00 or more, then the tax rate is 3% of federal adjusted gross income.

5 (E) If federal adjusted gross income is less than \$95,411.00, but
6 \$81,877.00 or more, then the tax rate is 4% of federal adjusted gross income.

7 (F) If federal adjusted gross income is less than \$108,945.00, but
8 \$95,411.00 or more, then the tax rate is 5% of federal adjusted gross income.

9 (G) If federal adjusted gross income is less than \$122,479.00, but
10 \$108,945.00 or more, then the tax rate is 6% of federal adjusted gross income.

11 (H) If federal adjusted gross income is less then \$136,013.00, but
12 \$122,479.00 or more, then the tax rate is 7% of federal adjusted gross income.

13 (I) If federal adjusted gross income is less than \$149,547.00, but
14 \$136,013.00 or more, then the tax rate is 8% of federal adjusted gross income.

15 (J) If federal adjusted gross income is less than \$156,314.00, but
16 \$149,547.00 or more, then the tax rate is 9% of federal adjusted gross income.

17 (K) If federal adjusted gross income is \$156,314.00 or more, then the
18 tax rate is 9.5% of federal adjusted gross income.

19 (b) Married Individuals filing separately. For married individuals filing
20 separate returns, only one spouse shall include the children in his or her

1 calculation of household size, and the other spouse shall be treated as a
2 separate, one-person household.

3 (c) The universal health care tax shall have the same return, payment, and
4 enforcement requirements as the personal income tax under section 5822 of
5 this title. The taxes shall be deposited in the Green Mountain Care Fund
6 established under 33 V.S.A. § 1829.

7 § 5987. NONWAGE INCOME TAX

8 (a) A tax is imposed on each taxpayer subject to the tax under section 5822
9 of this title. The nonwage income tax shall be equal to the amount of nonwage
10 income for each taxpayer, multiplied by five percent. The nonwage income
11 tax shall have the same return, payment, and enforcement requirements as the
12 personal income tax under section 5822 of this title. The taxes shall be
13 deposited in the Green Mountain Care Fund established under 33 V.S.A.
14 § 1829.

15 (b) Each taxpayer subject to the tax imposed under subsection (a) of this
16 section is entitled to claim a credit against his or her nonwage income tax in an
17 amount determined as follows:

18 (1) For a taxpayer with federal adjusted gross income of less than
19 \$200,000.00 but \$100,000.00 or more, a credit in the amount of \$1,000.00.

20 (2) For a taxpayer with federal adjusted gross income of less than
21 \$100,000.00 but \$75,000.00 or more, a credit in the amount of \$2,000.00

1 (3) For a taxpayer with federal adjusted gross income of less than
2 \$75,000.00 but \$50,000.00 or more, a credit in the amount of \$3,000.00.

3 (4) For a taxpayer with federal adjusted gross income of less than
4 \$50,000.00 but \$25,000.00 or more, a credit in the amount of \$4,000.00; and

5 (5) For a taxpayer with federal adjusted gross income of less than
6 \$25,000.00, a credit in the amount of \$5,000.00.

7 * * * Medicare Affordability Credit * * *

8 Sec. 3. 33 V.S.A. § 1833 is added to read:

9 § 1833. MEDICARE AFFORDABILITY CREDIT

10 (a) Vermont residents who receive their primary coverage through
11 Medicare, for whom Green Mountain Care is the payer of last resort pursuant
12 to subsection 1827(f) of this title, and whose income is at or below 523 percent
13 of the federal poverty level shall receive an income-sensitized Medicare
14 Affordability Credit for out-of-pocket health care costs.

15 (b) The amount of the Medicare Affordability Credit shall be on a sliding
16 scale based on income and using a benchmark amount, with individuals with
17 income at 138 percent of the federal poverty level receiving a credit with a
18 value of 200 percent of the benchmark, decreasing to 100 percent of the
19 benchmark at 330.5 percent of the federal poverty level and with credits ending
20 below 523 percent of the federal poverty level. For 2017, the benchmark
21 amount shall be \$500.00, and shall be adjusted annually thereafter for inflation.

1 government functions. The Board shall consist of a chair and four members.

2 The Chair and all of the members shall be State employees and shall be exempt
3 from the State classified system. The Chair shall receive compensation equal
4 to that of a Superior judge, and the compensation for the remaining members
5 shall be two-thirds of the amount received by the Chair.

6 * * *

7 (h)(1) ~~Except as otherwise provided in subdivision (2) of this subsection,~~
8 ~~expenses incurred to obtain information, analyze expenditures, review hospital~~
9 ~~budgets, and for any other contracts authorized by the Board shall be borne as~~
10 ~~follows:~~

11 (A) ~~40 percent by the State from state monies;~~

12 (B) ~~15 percent by the hospitals;~~

13 (C) ~~15 percent by nonprofit hospital and medical service corporations~~
14 ~~licensed under 8 V.S.A. chapter 123 or 125;~~

15 (D) ~~15 percent by health insurance companies licensed under~~
16 ~~8 V.S.A. chapter 101; and~~

17 (E) ~~15 percent by health maintenance organizations licensed under~~
18 ~~8 V.S.A. chapter 139.~~

19 (2) ~~The Board may determine the scope of the incurred expenses to be~~
20 ~~allocated pursuant to the formula set forth in subdivision (1) of this subsection~~

1 if, in the Board's discretion, the expenses to be allocated are in the best
2 interests of the regulated entities and of the State.

3 ~~(3) Expenses under subdivision (1) of this subsection shall be billed to~~
4 ~~persons licensed under Title 8 based on premiums paid for health care~~
5 ~~coverage, which for the purposes of this section shall include major medical,~~
6 ~~comprehensive medical, hospital or surgical coverage, and comprehensive~~
7 ~~health care services plans, but shall not include long term care or limited~~
8 ~~benefits, disability, credit or stop loss, or excess loss insurance coverage.~~

9 Notwithstanding any provision of Title 11B to the contrary, on January 1,
10 2017, all nonprofit hospital service corporations in existence in this State and
11 established under the authority of 8 V.S.A. chapter 123 shall be dissolved and
12 shall cease operations, and on that date the Green Mountain Care Board shall
13 become the successor in interest to and the continuation of all such
14 corporations.

15 (2) Each nonprofit hospital service corporation shall, on or before
16 January 1, 2017, transfer its assets, liabilities, obligations, and properties to the
17 Board, and any known and unknown claims against the corporations on that
18 date shall be assumed by the Board. The assets, liabilities, obligations, and
19 property of the corporations shall be managed prior to the transfer in accord
20 with the standards set forth in 11B V.S.A. chapter 8, and the directors of the
21 corporations shall be held strictly liable for any violation of 11B V.S.A.

1 chapter 8, subchapter 3 or for the waste of corporation assets during the
2 transition.

3 Sec. 6. 18 V.S.A. § 9375(c) is amended to read:

4 (c) The Board shall have the following powers and duties related to Green
5 Mountain Care:

6 (1) Prior to implementing Green Mountain Care, consider
7 recommendations from the Agency of Human Services, and define the Green
8 Mountain Care benefit package within the parameters established in 33 V.S.A.
9 chapter 18, subchapter 2, to be adopted by the Agency by rule.

10 (2) When providing its recommendations for the benefit package
11 pursuant to subdivision (1) of this subsection, the Agency of Human Services
12 shall present a report on the benefit package proposal to the House Committee
13 on Health Care and the Senate Committee on Health and Welfare. The report
14 shall describe the covered services to be included in the Green Mountain Care
15 benefit package and any cost-sharing requirements. If the General Assembly is
16 not in session at the time that the Agency makes its recommendations, the
17 Agency shall send its report electronically or by first class mail to each
18 member of the House Committee on Health Care and the Senate Committee on
19 Health and Welfare.

20 (3) Prior to implementing Green Mountain Care and annually after
21 implementation, recommend to the General Assembly and the Governor a

1 three-year Green Mountain Care budget pursuant to 32 V.S.A. chapter 5, to be
2 adjusted annually in response to realized revenues and expenditures, that
3 reflects any modifications to the benefit package and includes recommended
4 appropriations, revenue estimates, and necessary modifications to tax rates and
5 other assessments.

6 (4) Administer the payment of claims under Green Mountain Care, such
7 as claims adjudication; provider reimbursement; coordination of benefits and
8 subrogation; primary care provider selection and referral management; medical
9 necessity determination; adjudication of out-of-state coverage for
10 nonemergency care; payment terms for covered services; population-based
11 payments to accountable care organizations; data analysis; reporting; hospital,
12 physician, and other provider credentialing and network enrollment, including
13 services outside the State and outside the country; eligibility determinations;
14 grievances and appeals; care management and care coordination; high-cost and
15 chronic illness management; and utilization management, in accord with
16 performance measures established by the Agency of Human Services designed
17 to ensure timely, appropriate, transparent, and high-quality services to
18 individuals enrolled in Green Mountain Care and to health care professionals;
19 provided, however, that the Board may transfer or assign any administration
20 function of Green Mountain Care to the Agency of Human Services if the
21 transfer or assignment furthers the principles of Green Mountain Care and is

1 accepted by the Agency in accord with any terms and conditions set mutually.

2 In furtherance of its administration, the Board shall have the following powers,

3 which shall be exercised to further the Board's purpose, and shall have all

4 other powers necessary to carry out the duties imposed on it by law:

5 (A) to enter into contracts with providers of health care, mental
6 health, and substance abuse treatment services;

7 (B) to employ personnel who shall serve at the pleasure of the Board;

8 (C) to sue and be sued in the Board's own name and to plead and be
9 impleaded;

10 (D) to administer and control the funds in the Green Mountain Care
11 Fund established by 33 V.S.A. § 1829, and to invest or deposit funds that are
12 not needed to meet the current obligations of the Board;

13 (E) to receive and accept grants, gifts, loans, or contributions from
14 any source, subject to 32 V.S.A. § 5;

15 (F) to acquire, by purchase, lease, gift, or otherwise, or to obtain
16 options for the acquisition of, any property, real or personal, improved or
17 unimproved, tangible or intangible, including an interest in land;

18 (G) to sell, lease, mortgage, exchange, transfer, or otherwise dispose
19 of any real or personal property or interest in them, or to grant options for any
20 of those purposes;

1 (H) to pledge or assign any money, fees, charges, or other revenues
2 of the Board and any proceeds derived by the Board from the sale of property
3 or from insurance awards;

4 (I) to enter into contracts determined by the Board to be useful for the
5 prudent management of its assets to the full extent that a business corporation
6 is authorized to enter into such contracts;

7 (J) to acquire stock, shares, and securities to the full extent that a
8 business corporation is authorized to acquire such interests;

9 (K) to invest in property or securities any funds held or any funds not
10 required for immediate disbursement; and

11 (L) to do all things necessary, convenient, or desirable to carry out
12 the purposes of Green Mountain Care or the powers or duties expressly granted
13 or necessarily implied in this chapter or in 33 V.S.A. chapter 18, subchapter 2.

14 Sec. 7. 33 V.S.A. § 1827 is amended to read:

15 § 1827. ADMINISTRATION; ENROLLMENT

16 ~~(a)(1) The Agency shall, under an open bidding process, solicit bids from~~
17 ~~and award contracts to public or private entities for administration of certain~~
18 ~~elements of Green Mountain Care, such as claims administration and provider~~
19 ~~relations.~~

20 ~~(2) The Agency shall ensure that entities awarded contracts pursuant to~~
21 ~~this subsection do not have a financial incentive to restrict individuals' access~~

1 ~~to health services. The Agency may establish performance measures that~~
2 ~~provide incentives for contractors to provide timely, accurate, transparent, and~~
3 ~~courteous services to individuals enrolled in Green Mountain Care and to~~
4 ~~health care professionals.~~

5 ~~(3) When considering contract bids pursuant to this subsection, the~~
6 ~~Agency shall consider the interests of the State relating to the economy, the~~
7 ~~location of the entity, and the need to maintain and create jobs in Vermont.~~
8 ~~The Agency may utilize an econometric model to evaluate the net costs of each~~
9 ~~contract bid. [Repealed.]~~

10 * * *

11 * * * Green Mountain Care Fund * * *

12 Sec. 8. 33 V.S.A. § 1829 is amended to read:

13 § 1829. GREEN MOUNTAIN CARE FUND

14 (a) The Green Mountain Care Fund is established in the State Treasury as a
15 special fund to be the single source to finance health care coverage for Green
16 Mountain Care.

17 (b) Into the Fund shall be deposited:

18 (1) transfers or appropriations from the General Fund, authorized by the
19 General Assembly;

1 (2) if authorized by a waiver from federal law, federal funds for
2 Medicaid, Medicare, and the Vermont Health Benefit Exchange established in
3 chapter 18, subchapter 1 of this title; ~~and~~

4 (3) revenues from the payroll tax established in 32 V.S.A. § 5983;

5 (4) revenues from the universal health care tax established in 32 V.S.A.
6 § 5986;

7 (5) revenues from the nonwage income tax established in 32 V.S.A.
8 § 5987;

9 (6) any and all cash or other income obtained pursuant to 18 V.S.A.
10 § 9374(h), and the income from any investments or property assumed,
11 managed, or continued thereunder; and

12 (7) the proceeds from grants, donations, contributions, taxes, and any
13 other sources of revenue as may be provided by statute or by rule.

14 (c) The Fund shall be administered pursuant to 32 V.S.A. chapter 7,
15 subchapter 5, except that interest earned on the Fund and any remaining
16 balance shall be retained in the Fund. The Agency shall maintain records
17 indicating the amount of money in the Fund at any time.

18 (d) All monies received by or generated to the Fund shall be used only for:

19 (1) the administration and delivery of health services covered by Green
20 Mountain Care as provided in this subchapter; ~~and~~

1 statutory authority for nonprofit hospital service corporations in 18 V.S.A.

2 § 9374(h) pursuant to Sec. 5 of this act.

3 * * * Effective Date * * *

4 Sec. 11. EFFECTIVE DATE

5 This act shall take effect on passage, except that Sec. 2 (taxes to support

6 Green Mountain Care) shall apply to the 2016 taxable year and thereafter.